

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7036**

**BILL NUMBER:** SB 254

**NOTE PREPARED:** Mar 26, 2007

**BILL AMENDED:** Mar 26, 2007

**SUBJECT:** Evansville-Vanderburgh County Airport Authority.

**FIRST AUTHOR:** Sen. Becker

**FIRST SPONSOR:** Rep. VanHaaften

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) *Authority:* This bill provides that the Evansville-Vanderburgh County Airport Authority and any county contiguous to Vanderburgh County may enter into a cooperative agreement involving any functions of the authority.

*Airport Development Zone:* The bill also allows certain excess property tax proceeds to be allocated by the board of an airport authority to pay: (1) principal and interest payments on a loan contract; and (2) expenses incurred for a qualified airport development project in the airport development zone.

**Effective Date:** Upon passage; July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Authority:* Under this proposal, the Evansville-Vanderburgh County Airport Authority (Authority) would be permitted to enter into cooperative agreements with Gibson, Posey, and Warrick Counties. The agreement may cover the operations, functions, projects, activities, funding, or capital expenditures of the Authority.

Any agreement must provide for:

- Appointments to the Authority board from the county;
- The agreement's duration;
- The agreement's purpose;

Financing, budgeting, staffing, and supplying a joint undertaking;  
Termination of the agreement; and  
Any other necessary or desirable matters.

In addition, the agreement may include a trial period of up to three years. During the trial period, participating counties would have only an advisory role and would not participate in financing.

Any agreement would have to be approved by the executive and fiscal bodies of a county that wishes to participate.

This proposal would require a participating county (after any trial period) to share in the funding of the Authority as stipulated in the agreement. The level of expenditures by each participant would be a local decision. This bill would not grant any additional levy authority either to the counties or the Authority. Therefore, any additional local expenditures would have to be paid from existing resources.

*Airport Development Zone:* Under current law, property taxes attributable to assessed value (AV) that exceeds the zone's base AV are allocated to the zone. The proceeds may currently be used to:

- Reimburse public or private entities in the zone for employee training expenses;
- Make debt payments on revenue bonds for a qualified airport development project;
- Make lease payments on a qualified airport development project; and
- Reimburse the airport authority or redevelopment commission for a qualified project.

In addition to reimbursement of expenses for a qualified project, this provision would add the ability to directly pay those expenses. The bill would also allow the proceeds to be used to make debt payments on loan contracts for a qualified airport development project

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Evansville-Vanderburgh County Airport Authority; Gibson, Posey, and Warrick Counties.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.